

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF DUKE ENERGY KENTUCKY,)	
INC. FOR AN ORDER TO ENTER INTO UP TO)	CASE NO.
\$25,000,000 PRINCIPAL AMOUNT OF CAPITAL)	2012-00576
LEASE OBLIGATIONS)	

ORDER

On December 17, 2012, Duke Energy Kentucky, Inc. ("Duke Kentucky") submitted an application for authority to issue capital leases, and enter into all necessary agreements and other documents relating thereto. Duke Kentucky requests an extension of the Company's existing leasing authority approved in Case No. 2010-00370¹ and currently set to expire December 31, 2012, until the Commission issues an Order granting the new authority requested in its present application. Duke Kentucky's application states that it does not anticipate a need, nor does it intend, to enter into any new transactions during this interim period, but out of an abundance of caution wishes to maintain such flexibility should the need suddenly arise. The application also states that Duke Kentucky agrees that it will abide by all reporting requirements contained under the current authority during this interim period.

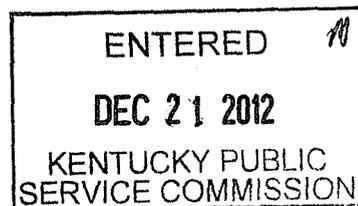
Based on the tendered application and being otherwise sufficiently advised, the Commission finds that Duke Kentucky's request for an interim extension of its existing leasing authority, which is to enter into Capital Leases up to \$25,000,000 in one or more

¹ Case No. 2010-00370, *Application of Duke Energy Kentucky, Inc. for an Order to Enter Into Up to \$25,000,000 Principal Amount of Capital Lease Obligations* (Ky. PSC Nov. 23, 2010).

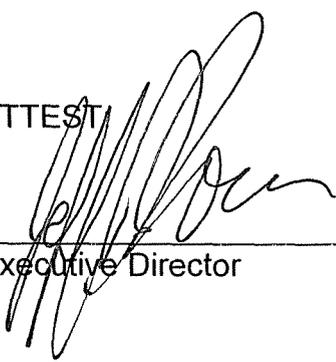
transactions and which would otherwise expire on December 31, 2012, should be granted during the Commission's review of this matter. The Commission further finds that Duke Kentucky's application has not yet been accepted for filing and that the authority granted in this Order to extend Duke Kentucky's existing leasing authority on an interim basis should not be construed as an acceptance of Duke Kentucky's submitted application.

IT IS THEREFORE ORDERED that Duke Kentucky's request for an extension of the Company's existing leasing authority approved in Case No. 2010-00370 and currently set to expire December 31, 2012, is approved pending a Final Order of the Commission in this proceeding. Pursuant to KRS 278.300, the Commission must dispose of an application for issuance of securities or indebtedness within 60 days of acceptance for filing, unless it is continued for good cause shown. Duke Kentucky's tendered application has not yet been accepted for filing and nothing in this Order shall be construed as such.

By the Commission



ATTEST



Executive Director

Kristen Cocanougher
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